

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of April 18, 2007
Lansing Center, Room 202, 333 E. Michigan Avenue, Lansing
9:00 AM

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees commenced at 9:10 AM.

The following Board members were present:

Bob Garner
Lana Pollack
Frank Torre

Mr. Charters and Mr. Washington were not in attendance due to prior commitments.

Also in attendance were various staff members of the Department of Natural Resources (DNR) and other interested parties.

Chairperson Garner asked DNR staff who work directly with the MNRTF to stand up and introduce themselves for the audience. He would like this to become a practice at every Board meeting.

II. ADOPTION OF AGENDA FOR MEETING OF APRIL 18, 2007.

Chairperson Garner called for the adoption of the agenda for the April 18, 2007 Board meeting.

**MOVED BY MS. POLLACK, SUPPORTED BY MR. TORRE, TO ADOPT
THE AGENDA OF THE APRIL 18, 2007 MNRTF BOARD MEETING.
PASSED.**

I. ADOPTION OF MINUTES FOR MEETINGS OF DECEMBER 5 AND 6, 2006.

Chairperson Garner called for the adoption of the December 5 and 6, 2006 Board meeting minutes.

Ms. Pollack had a correction to make on Page 5, first paragraph, second sentence. The reference made to the Michigan Land Use Commission should read **Michigan Land Use Leadership Council**. This correction will be made in the December 6, 2006 minutes.

**MOVED BY MR. TORRE, SUPPORTED BY MS. POLLACK, TO APPROVE
THE MINUTES OF THE DECEMBER 5 AND 6, 2007 MNRTF BOARD
MEETINGS, WITH NOTED CORRECTION. PASSED.**

PUBLIC APPEARANCES.

Mr. Daniel Stencil, Executive Officer; and Mr. John Noyes, Natural Resources Coordinator; Oakland County Parks – Update on Oakland County Parks

Mr. Daniel Stencil, Executive Officer of Oakland County Parks, provided a PowerPoint presentation to update the Board on achievements of the Oakland County Parks system. He publicly thanked the MNRTF for 30 years of promoting and enhancing outdoor recreation in Michigan.

Mr. Stencil stated that Oakland County has approximately 1.6 million visitors use the county parks. They have an outdoor recreation and interpretive program that has approximately 46,000 participants annually. The county is the steward of over 6,000 acres of public land. In Oakland County there is 90,000 acres of publicly held land and nearly half of this is between the State of Michigan and Huron-Clinton Metropolitan Authority.

Mr. Stencil further stated that the recreation application process is an excellent opportunity for his staff to sharpen their skills and look at how to go about being stewards of land and providing recreational opportunities. The county has also used this opportunity to build partnerships.

Oakland County is developing rapidly, and by the year 2030, over two-thirds of the county will be considered urbanized. Because of this fact, there is a need to conserve and preserve as much of the natural resources and provide for recreational opportunities.

Mr. Stencil further advised the Board that Oakland County has been working with other local units of government in the county and have formed the Oakland Trails Advisory Council, who has the vision of a 350-mile county-wide trail system. The trail system will link recreational opportunities and natural areas throughout the county.

This funding cycle, the county has submitted a development application for the Addison Oaks Trail Connector (07-030), which is a 1.7-mile trail connecting Bald Mountain Recreation Area, Addison Oaks County Park, Oakland Township's Cranberry Lake Park and Stony Creek Metropark.

The county realizes the importance of connecting the ecological components of the lands that they have, and have been working with Oakland County Planning and Economic Development to create a green infrastructure. This would link the green areas throughout the county. This has also helped the county identify opportunities for land acquisition.

Mr. Stencil further stated that in 2007 the county did five prescribed burns and managed deer hunts in two of the parks, which also had handicap participation. Geese are managed at one of the parks. Chairperson Garner asked what park geese was managed. Mr. Stencil responded it was at Lyons Oaks County Park. There is open archery in three of the parks. In addition, the county is in the process of increasing 1,000 to 3,200 acres of the park system by 2009, which would include archery hunting and some of the land available for trapping.

In addition, for this grant cycle, Oakland County has submitted an acquisition application (07-031) for 100 acres of an upland hills farm which is to the west of Addison Oaks County Park. This has been an educational and recreational facility which has been owned privately for over 30 years. With acquisition of this property, it would create a linkage between Bald Mountain State Park and the county park system.

The county has also made a significant commitment to "Access to Recreation." The county has an urban recreation initiative that is promoting programs throughout the county. As the county continues to urbanize, they feel it is important to have a three-prong approach towards urban recreation. The county recently completed an ADA assessment of all the county parks over the past two years and are in the process of implementation. The county was successful in receiving a grant through the "Access to Recreation" program for the purchase of a pontoon boat that would allow the county to do interpretive programs throughout the park system.

Mr. Stencil further stated that the county has a community assistance program that provides mobile recreation units to underserved communities in the county at no charge. Through the direction of the MNRTF, the county is working with the Oakland-Livingston County Human Services agency to make annual vehicle passes available to low income residents. There are over 12,000 households in the county that are below the poverty level, and most are working poor.

Mr. Stencil advised the Board that he is the current chairperson of the Michigan Recreation and Park Association (MRPA) Hall of Fame Committee. On October 11, 2007, in Canton, MRPA will be inducting Mr. Tom Washington and Mr. Kerry Kammer, two pioneers and advocates of conservation and outdoor recreation in the state, to the Hall of Fame.

Chairperson Garner stated that Mr. Kammer sponsored the legislation that became the MNRTF, but it was Mr. Washington who carried the idea to Mr. Kammer, through the Michigan United Conservation Clubs (MUCC). MUCC is celebrating its 70th anniversary this year.

Ms. Pollack asked about the vehicle stickers for low income residents and wondered how this was progressing. Mr. Stencil responded that the program should be in place by June 1st. The Oakland-Livingston Human Services agency is going to be the facilitator of administering the program. Oakland County Parks will provide the agency with annual vehicle permits and they will issue them. This permit will be part of an annual benefits package that will be provided to the 12,000 low income households.

Ms. Pollack also asked about making non-motorized equipment available to low income residents. Mr. Stencil responded that as part of a community assistance program that the county has had for a number of years, the annual appropriation had been about \$25,000. As part of an urban recreation initiative, the county has increased the allotment to \$100,000. The county is working with groups in the city of Pontiac and Royal Oak Township to assist them in having more of these recreation services and programs provided by the park system at no cost to them.

Mr. Torre asked how this is spread around the different cities. Mr. Stencil responded that each local unit of government needs to submit a request and then it is apportioned out.

Chairperson Garner said Oakland County has a tremendous park system and to keep up the good work in getting people outdoors to enjoy recreation activities.

Ms. Kerry Wieber, Forest Land Administrator, DNR, Forest, Mineral and Fire Management Division – Presentation on Department's Land Ownership Strategy

Ms. Kerry Wieber, Forest Land Administrator with DNR's Forest, Mineral and Fire Management (FMFM) Division, provided a PowerPoint presentation to outline the Department's land ownership strategy. The DNR is halfway through Phase II of the land consolidation process.

The consolidation process involves reviewing 10 to 11 counties appropriately every seven months. The DNR is currently reviewing Group 6 and field review of Group 7 will begin in May.

Ms. Wieber stated that the DNR administers approximately 4.5 million acres of land and nearly 6 million acres of mineral rights. The majority of the land is located within the state forests, wildlife and parks and recreation boundaries. In the consolidation process, FMFM is looking at the properties located outside of these boundaries. The majority of the lands that the DNR manages came to the state through the tax reversion process in the early 20th century during the Depression era. A lot of the land was clear cut by timber companies before it reverted to the state. In addition, much of the land was tax-reverted several times after being resold.

Some of the management issues that the DNR experiences are:

- Isolated land holdings may reduce conservation and recreation values.
- Managing marginal land holdings may detract from the best overall management of more critical lands.
- Income from the sale of lands would allow the acquisition of important private inholdings. All proceeds go into the Land Exchange Facilitation Fund and the fund is used strictly for replacement lands.

This process was started with the implementation of Natural Resources Commission (NRC) policy that directed the DNR to review their entire land holdings and determine those parcels that were not contributing strongly to the DNR's mission, and also identify privately owned inholdings which, if acquired, would help enhancement DNR's ability to accomplish its mission.

Ms. Wieber continued by stating that Phase I (boundary review) has been completed. DNR staff looked at boundaries around the state forests, game, recreation areas and parks. A lot of these boundaries had not been looked at in 30+ years. A holistic resource management approach was used (all resource divisions were involved in the process). There was a public comment portion once it was determined what the DNR wanted the boundaries to look like. DNR Director Humphries adopted and dedicated the new boundaries in May 2004.

Phase II involves evaluation of parcels outside the dedicated project boundaries. Parcels are being evaluated for:

- Pertinence to DNR's mission.

- Presence or absence of significant natural resources or recreation potential.
- Other relevant ecological or cultural resource values.

Every parcel is evaluated on a county-by-county basis and is put into one of three categories. Every parcel is reviewed at the local level by a forester, wildlife biologist, fish biologist and parks and recreation specialist. Parcel classifications are:

- Retain parcel under state ownership and DNR administration.
- Parcel remains protected and/or accessible to the public, but potentially owned/administered by an alternative conservation entity. Parcels recommended in this category will carry a deed restriction that they remain open to the public and limited development.
- Parcel not remain in DNR ownership.

For parcels recommended to be owned/administered by an alternative conservation entity or to not remain in DNR ownership, they go through a program review. Parcels are reviewed for:

- Title and deed restrictions.
- Mineral evaluation.
- DNR Recreational Trails does review to determine if parcel may be a critical future connector for a state trail.
- Department of Environmental Quality (DEQ) does review for parcels in a high erosion area, critical dune area or contamination.

The public comment phase is to:

- Provide information to the public and gather written and oral comments.
- Public meetings are held in each county or group of two or three counties.
- Information is also put on the DNR website.

After the public comment phase, parcels are reviewed by the DNR's Land Exchange Review Committee. This committee reviews all land transactions that the DNR enters into. Public comments are taken into consideration in their review. The committee then makes its recommendation the NRC's Policy Committee on Land Management. The DNR Director makes the final decision on the classification of each parcel. Of the six groups of counties that the DNR is currently reviewing, it is expected that the Director will make her decision at the June NRC meeting.

Phase III is now underway. Notices are sent to local units of government for parcels to be disposed of to determine their interest. If no interest, notices are sent to alternate conservation owners (state and local land trusts). If no interest by alternate conservation owners, parcels are listed on the DNR website for exchange with private parties. If there are no exchange offers, the parcels proceed to auction. If no bids, the land remains available for direct purchase at appraised value, plus transaction costs. Land exchanges are the number one priority in the process.

Ms. Wieber further stated that the land consolidation process has resulted in DNR divisions working more closely together to identify priorities. As a result, acquisitions have become almost DNR priorities than individual divisions. With land exchanges it does not allow enough to acquire privately owned inholdings, thus the need for funding from the MNRTF.

Mr. John Griffith, President, North Woods Conservancy – Update on TF05-078, Addition to Gratiot River County Park Project

Mr. John Griffith, President of the North Woods Conservancy, made a presentation to update the Board on TF05-078, Addition to Gratiot River County Park. The conservancy is part buyer and part seller of this project. The grant in the amount of \$1.9 million was awarded in December 2005.

Mr. Griffith stated that the conservancy became aware of the availability of this property in 2002. The sellers could not wait for a grant to be approved. Keweenaw County did not have the funds to acquire the property, so North Woods Conservancy agreed to acquire the property as an interim owner. At the time, the conservancy thought they could hold on to the property for three years.

When the conservancy reviewed the project agreement for the grant, they observed that the grant agreement was for 57% of the appraised value. The county pointed out to staff in their application and supplemental information that the project value could be anywhere from \$2.6 million to \$3.4 million. The county pointed out since the funding request (\$1.9 million) would not change regardless of the appraised value, the grant percentage would be at most 75% (\$2.6 million) or as little as 57% (\$3.4 million).

Mr. Griffith stated that the county is not requesting more money, but to change the project agreement back to 75%. In addition, they would like the wording in Item 5 of the project agreement to more accurately reflect the purpose and intended use of the park addition per the application.

Chairperson Garner stated he is uncomfortable with the Board making any decision without DNR staff making a recommendation. Mr. Griffith responded that he was told that staff was going to present this issue to the Board at their next meeting. He wanted to give the Board a heads up, and is not asking the Board to make the change today. At the June Board meeting, the county will provide two certified appraisals and request to make the final changes to the project agreement, which will be signed and the county will be able to move forward.

Ms. Pollack asked if there was policy on approval of grants prior to appraisal. Mr. Wood responded that we do not require an applicant to conduct an appraisal prior to the final staff recommendation for a grant, mostly because of the expense and it is time-consuming. Staff asks the applicant to make their best effort to identify the cost of the property. Ms. Pollack asked if there have been similar situation like this in the past. Mr. Wood responded that there have been situations in the past where the final appraised value is significantly different than what the applicant has requested. Usually the property ends up appraising higher than anticipated. We have usually been able to work things out. In this particular situation, staff needs to see a final set of appraisals and then Grants Management will work with staff in DNR's Office of Land and Facilities to come up with a resolution.

Chairperson Garner stated that his concern is that the Legislature could set up a constitutional question about this change. He wants to make sure that going into the Legislature the DNR's credibility and process is intact.

Mr. Griffith reiterated that the county is not asking for more money, but there was an oversight with the percentage amount.

Mr. Torre asked if more information would be provided to the Board at their next meeting. Mr. Wood responded information will be provided to the Board, as well as the questions raised.

Ms. Susan Lackey, Executive Director, Washtenaw County Land Trust

Ms. Susan Lackey, Executive Director of the Washtenaw County Land Trust, advised the Board of the trust's support for the efforts made in southeastern Michigan to provide acquisition funding for public land, in particular, Pinckney Recreation Area, running through Waterloo and down to the Sharonville Game Area.

Ms. Lackey also expressed the trust's willingness to work closely with DNR staff, such as land owner contact or stakeholder development. There was a strategic planning process in 2005 and came up with three areas—riparian corridors, working farm communities and Pinckney-Waterloo-Sharonville area.

Ms. Pollack asked if this was a general appropriation (lump sum appropriations) rather than a specific one. Chairperson Garner responded yes, as it gives the DNR the flexibility to acquire property as it becomes available.

Ms. Lackey stated that the trust went through a prioritization process within their organization. They want to mainly focus their efforts on buffer properties so that conservation easements can be used to protect fragmentation of borders. In addition, the trust wants to work with the DNR on inholdings that are important to make sure that they don't become fragmented.

Chairperson Garner stated that the legislation and what was passed on the ballot to anchor the MNRTF does include "lands and rights in lands." Ms. Lackey feels this is very important, particularly in the Waterloo area. Mr. Torre asked if the trust was looking at any property at this time. Ms. Lackey responded not at the moment, only some small things.

Ms. Pollack will be looking at how much of the lump sum appropriations have been spent. She would like to fund enough to move on properties such as what Ms. Lackey is referring to, but she does not want to tie up a lot of money that is not being used when other properties could be acquired that are already on the market.

Chairperson Garner said the Board has had a history of cutting lump sum appropriations to fund other projects.

Mr. Steve Printz, Manager, Parks and Forestry Operations, City of Novi – 07-017, Novi Core Habitat Reserve Property Acquisition

Mr. Steve Printz, Manager of Parks and Forestry Operations for the City of Novi, made a presentation in support of 07-017, Core Habitat Reserve Property Acquisition. This acquisition project would be to acquire 16.2 acres of forested wetlands, which would adjoin 253 acres of existing future parkland. The city of Novi is under intense development pressure, and with the acquisition of this property it will protect the

sensitive natural resources and also help expand one of two core reserve areas in the city. This is the second year the city has applied for this grant.

Mr. Torre asked what amount of the request was. Mr. Printz responded approximately \$350,000.

IV. OLD BUSINESS.

Naming Policy

Mr. Dennis Fedewa, Chief Deputy of the DNR, outlined the proposed DNR naming policy for the Board. The first draft of this policy was provided to the Board at their June 21, 2006 meeting. Since that time, DNR staff has refined the policy. It has been reviewed by the NRC, Waterways Commission, Forest Management Advisory Board and Citizens Committee on State Parks (reviewed for the second time). A resolution was passed endorsing the policy by the Citizens Committee on State Parks on March 28 and is on the Waterways Commission's agenda for adoption on April 20.

Mr. Fedewa further stated that some changes were made in discussions with the NRC. One of the changes was that anything beyond 25 years is assumed to be in perpetuity and that would be in the purview of the NRC policy. What the Board has before them today are two parallel policies—NRC Policy and DNR Policy. The NRC policy deals with issues of perpetuity and the DNR policy deals with anything less than 25 years, which include partnerships. These policies include a whole gamut of different types of recognition—both solicited and unsolicited.

The unsolicited policy needs to be addressed and provides a methodology that touches upon all the pertinent facts that need to be addressed in order to make a decision and staff recommendation to the DNR Director if it is for less than 25 years. These items are identified under **Reporting – Issues of Special Interest** in draft Policy 01.05-10. These items list what staff would need to do in determining whether an unsolicited offer should be recommended or rejected. If there is a partnership and they want to have some recognition but it is not exclusive to everyone else, such as a corporate competitor, then the value is very little.

The pertinent parts of the policy that would be part of the analysis done by staff would be:

- Identifying the fair market value determined on the amount of money, or in-kind, that would be offered to the DNR—does it fit into the mission and is it an exclusive right of the expectation of the requester.
- Is it in the DNR's best needs, the public interest, conflict of interest and does it fit within our mission?
- Does it overly commit the DNR with something that we normally would not want to engage in?
- Commits agreements be in writing.

Mr. Fedewa further stated that in Item 2 under **Reporting – Issues of Special Interest**, it is very clear that in doing the analysis that the DNR would proactively seek the input to the proposal from any of the committees/boards/commissions identified in Item 2 that had a vested interest in the particular project. These committees/boards/commissions include, but are not limited to, the Waterways Commission, Michigan Natural Resources Trust Fund Board of Trustees, Citizens Committee for State Parks and the Forest Management Advisory Committee. This would be determined by the DNR Director. In addition, there are other partnerships or informal advisory groups that may not reach the statutory charge but could also be involved.

Mr. Fedewa asked the Board to consider a motion to approve the naming policies as presented. NRC Chairperson Charters had asked him to go to the various committees/boards/commissions to get their input so the policies could be established.

Mr. Fedewa further stated that there are other instances where naming policies and recognition issues will come forth. He believes it is in the best of interest of the DNR, MNRTF and NRC to have a policy in place and procedures to follow that is open and provides rationale for a decision-making process.

Ms. Pollack stated that there is a lot of good work that has been done with the policies and it is certainly a step forward. She asked about the cost of an endowment for maintaining the property as a part of the gift to be considered, and wondered where that language was. Mr. Fedewa responded that isn't specifically identified in the policy. The policy is broad enough to take into consideration what the gift or collateral is that is being offered. However, the market value has to be determined and is it enough to offset what the DNR would be giving up.

Ms. Pollack feels endowment should be more explicitly outlined in the policy. Mr. Fedewa responded that if it was an endowment, the specific proposal would be recognized as an endowment. DNR staff would determine whether the market value, if in fact it was an exclusive naming or recognition right, and was it worth the actual offerance. The Board would decide whether to support or not support. The Board would see the staff analysis of what the endowment being proposed, market value, how it would benefit the DNR, is there an exclusive right and, if so, is it offsetting what the contribution would be, and does it fulfill the DNR's mission. Ms. Pollack responded that, in her opinion, the language does not protect us and needs to be more explicit.

Ms. Pollack also had a question on Page 4 of the Policy 01.05-10, under "Marketing Opportunities." She asked about the reference to "co-branding and customer-access opportunities." She wondered if visitors to the park who carry a certain credit card, for example, would have special access to the park. She wondered what this meant and why was it there. Mr. Fedewa responded that when you have co-branding, oftentimes a sponsor may want to use their logo. Ms. Pollack was particularly questioning the "customer-access opportunities" portion. Mr. Fedewa responded that this is not just naming, but also partnerships. There may be a non-profit organization who may want to engage in public accessibility with name recognition for an event that the DNR believes will bring people into their facilities. That is what the language refers to. Ms. Pollack stated we should be very explicit on the event. She feels the language is too open and donors could make demands that are not consistent with DNR parks. She would like the language stricken from the policy. Mr. Fedewa responded that this could be done.

He further stated that when the policy was being drafted, staff struggled with how specific the policy should be. They researched other public entities on their naming policies. Many entities are dealing with the same issues. Ms. Pollack stated if the policy is too specific, it could create problems as well.

Ms. Pollack feels that language stating that the cost of maintaining the property and operating the property should also be considered in the proportionality of the gift. This would give the MNRTF more protection. She would like the "special access" references stricken as it applies to giving certain people more access than others.

Ms. Pollack asked about public hearings. She knows the DNR holds public hearings if there would be a name change. If a name is being changed, she feels there should be public hearings in the area of the proposed name change. Mr. Fedewa stated that this is identified in Item 11 of the policy. Ms. Pollack would like language added to Item 11 such as "public hearings in the regions impacted may be included in the input."

Chairperson Garner stated if Board members had other changes to be considered to provide these to Mr. Fedewa. No action by the Board will be taken today on the naming policy.

V. NEW BUSINESS.

2007 Recreation Grant Application Package – Staff Presentation on Selection Process, 2007 Application Cycle (Application Lists) and 2007 Nominations Report

Ms. Deborah Apostol, Manager, Recreation Grants Unit, Grants Management, DNR, advised the Board that they had received in their Board materials a list of 2007 applications received by the April 2, 2007 deadline. Since that time the lists have been updated and provided to the Board today.

There were 139 applications received, which is nine fewer than last year. There were 31 acquisition applications (state and local) requesting \$38.3 million; and 108 development applications (state and local) requesting \$28.6 million. The total amount of requests was \$67 million. The Board has been provided with lists of applications with descriptions.

Ms. Apostol briefed the Board on the nominations report for 2007. Four nominations were received this year. Of the four, two have been submitted as applications by DNR resource divisions. These are 07-134, Au Train Basin Waterfowl Refuge Project, Alger County, requesting \$2.5 million by Wildlife Division; and 07-120, Betsie River State Forest Consolidation, Grand Traverse and Benzie Counties, requesting \$1.3 million by Forest, Mineral and Fire Management Division. The DNR may be interested in pursuing the Harris-Maple River Property nomination that was submitted at a later time.

Ms. Apostol provided an application evaluation process sheet to the Board and outlined deadline dates and processes for evaluation of the 2007 grant applications.

Chairperson Garner advised the Board members if there are applicants they would like to have make a presentation at the June meeting to notify Grants Management staff and they will send them an invitation.

Ms. Apostol stated that preliminary evaluations are sent to applicants towards the end of July and Board members will receive copies of these evaluations.

Chairperson Garner asked if a Board member could sit in on the application review meetings. He feels this would be very beneficial to see how the process is conducted. Ms. Apostol responded yes. There would be two opportunities for a Board member to attend an application review process. The first would be the application review process, which will be held towards the end of June. Staff meets again towards the end of October for final application evaluation and scoring. Chairperson Garner said this would be an interesting process for Board members to observe and asked Ms. Apostol to let Board members know the details. He does not want, however, a quorum attending on the same day.

Ms. Apostol further stated that August 1 is the deadline for submittal of additional acquisition applications. October 5 is the deadline for submittal of supplementary information for applications that were submitted by the April 2 deadline. By November 21, staff completes site inspections and scoring of all applications. Board members will be provided with a ranked list of acquisition and development applications for their review and final recommendations. In addition, the Board will receive copies of the final evaluations sent to applicants. If Board members would like this information provided to them via a disk, this could be arranged.

Ms. Apostol further stated a list of all applications and how they scored will be put on the DNR's website.

An evening Board meeting has been scheduled for December 4 to provide applicants an opportunity to provide new information that could impact the final score for their projects. The Board makes their final recommendations at their December 5 regular meeting.

The draft MNRTF bill is prepared and submitted to the Department of Management and Budget (DMB) and Legislature for approval and appropriation of funds in December. Once the bill is passed and signed into law, Grants Management must receive approval from DMB to allocate the funds. After approval is received, project agreements can be prepared and sent out to grantees.

Chairperson Garner mentioned that the real estate market is not quite as dependable as it has been. Three or four years ago, the Board had a meeting to take a look at the MNRTF for the future. At that time land prices were escalating rapidly about bonding against the MNRTF. He is not sure if we are close to the acceleration of land values that we were. In the northern part of the state, it actually has started to reverse. The Board should know where the MNRTF is going and where we are at right now. He suggested that the Board have an evening meeting to discuss this, or add on an extra hour to a regular Board meeting to discuss this issue.

Chairperson Garner asked if Mr. David Freed, Chief of Office of Land and Facilities could provide a presentation on what is happening with land values in the general regions of the state. Mr. Wood responded that he will contact Mr. Freed and bring a proposal back to the Board.

VI. STATUS REPORTS.

DNR Real Estate Report

The Board was provided with a copy of the DNR real estate report in their packet of information. No further discussion.

Local Projects Completion Report

The Board was provided with a copy of the local projects completion report in their packet of information. No further discussion.

MNRTF Lump Sum and Line Item Department Projects

Mr. Wood wanted to point out to the Board that Ms. Jule Stafford, Grant Analyst, Grants Management, DNR, revised the former "lump sum report" to include line item DNR projects. The report outlines the status of the DNR projects as part of their appropriations, in addition to identifying how the projects are progressing. The Board thought this format was very helpful.

Financial Report

Mr. Wood outlined the financial report that was provided to the Board in their packet of information today. The figures identified in the report are all preliminary. It is anticipated that the Section 29 impact will run its course by November of 2007.

VII. OTHER MATTERS AS ARE PROPERLY BROUGHT BEFORE THE BOARD.

Mr. Wood mentioned that the June Board meeting was originally scheduled to be held at the Doherty Hotel in Clare. In addition, the meeting could be held in Lansing. This is the meeting where various acquisition applicants are invited to make presentations. There has been a Governor's Executive Directive to reduce travel and associated costs. Mr. Wood has discussed locations of the June meeting with Mr. Fedewa. Mr. Fedewa advised him that having the meeting in Clare would not be a problem.

Mr. Fedewa added that there are now 17 Executive Directives towards reducing costs. There is a quite rigid reporting process for travel, purchasing, etc. DMB has also incorporated the use of internal auditors to maintain a review process of not only what is outlined in the Executive Directives, but also having an internal review process. These Executive Directives are more involved than others issued in previous years.

Mr. Fedewa also stated there are Executive Directives outlining a moratorium on grants and contracts. There has been some confusion with these directives. DMB had a multi-department meeting last week to outline the directives. DNR asked for clarification of grants, and in particular, how MNRTF grants fit into the directive, as there were some exemptions. DMB stated that MNRTF grants were exempt from the Executive Directive.

Ms. Pollack asked which meeting location would involve the least travel for all who attend. Local units of government are desperate for funding. If Lansing is more central to most of the people attending the meeting, the Board should have it there.

Chairperson Garner would like to have it in Clare, but at this point in time with the budget situation, he has no problem having the meeting in Lansing. Mr. Torre agreed.

MOVED BY MS. POLLACK, SUPPORTED BY MR. TORRE, TO CHANGE THE LOCATION OF THE JUNE 20, 2007 MNRTF BOARD MEETING FROM CLARE TO LANSING. THE MEETING WILL BE AT THE LANSING CENTER, ROOMS 101-102, 333 E. MICHIGAN AVENUE, LANSING. PASSED.

Ms. Pollack requested that at the June meeting staff provide the Board with an update on the continued progress of the lease development of Jean Klock Park, city of Benton Harbor. It was also recommended that the Board require that the city provide progress reports on the pathway system development. Mr. Fedewa responded that an update will be provided to the Board at the next meeting.

VIII. ANNOUNCEMENTS.

The next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for 9:00 AM, Wednesday, June 20, 2007, Lansing Center, Rooms 101-102, 333 E. Michigan Avenue, Lansing, Michigan.

IX. ADJOURNMENT.

MOVED BY MR. TORRE, SUPPORTED BY MS. POLLACK, TO ADJOURN THE MEETING. PASSED.

The meeting was adjourned at 11:00 AM.

Bob Garner, Chairperson
Michigan Natural Resources Trust Fund
Board of Trustees

James Wood, Manager
Grants Management

DATE